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PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KYLE PATEL

Appeal 2015-006943¹
Application 13/855,672
Technology Center 3600

Before: MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and
MICHAEL W. KIM, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is an appeal from the Examiner's Final rejection of claims 1 and 11. We have jurisdiction to review the case under 35 U.S.C. §§ 134 and 6.

The invention relates generally to in-store location services and downloading of advertising while shopping. Spec. 1, ll. 4–6.

Claim 1 is illustrative:

1. A brick and mortar retail establishment having a computer-implemented system for a shopper comprising:

¹ The Appellant identifies the inventor, Kyle Patel, as the real party in interest. Appeal Br. 1.

a) a computer server containing a product database having products, store location for said products, promotional and information for said products;

said computer server capable of receiving and sending information to mobile computing devices and locating said mobile computing devices within said brick and mortar establishment; and

b) a microprocessor programmed to facilitate receiving location information of a mobile computing device owned by said shopper and selection of products desired for purchase;

said microprocessor wirelessly identifies said products on said server along with said products' location, promotional and information and sends it wirelessly to said mobile computing device in a way which allows said shopper to navigate directly to said products via directions displayed on said mobile computing device using an enhanced Indoor Positioning System to facilitate said mobile computing device and said products locations within said brick and mortar establishment for accurate location of said products, and to see said promotional and information once reaching said products' location in said brick and mortar establishment;

wherein said microprocessor takes said promotional and information including product price and manipulates the order in which it is downloaded to said mobile computing device such that advertisers are charged more for having said promotional and information made available higher in a list displayed on said mobile computing device;

wherein advertisers are charged more for the type, frequency and timing of said promotional and information sent by said microprocessor to said mobile computing device;

said microprocessor remains in communication with said mobile computing device until said shopper completes locating all of said products desired by said shopper.

Claims 1 and 11 are rejected under 35 U.S.C. § 101 as reciting ineligible subject matter in the form of an abstract idea.

Claims 1 and 11 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 1 and 11 are rejected under 35 U.S.C. § 112, second paragraph, as indefinite.

Claim 1 is rejected under 35 U.S.C. § 103(a) as unpatentable over Siotia et al. (US 2010/0070365 A1, pub. Mar. 18, 2010, “Siotia”) and Grouf et al. (US 2007/0073583 A1, pub. Mar. 29, 2007, “Grouf”).

Claim 11 is rejected under 35 U.S.C. § 103(a) as unpatentable over Siotia, Grouf, and Thomas et al. (US 2011/0288925 A1, pub. Nov. 24, 2011, “Thomas”).

We AFFIRM.

ANALYSIS

Rejection under 35 U.S.C. § 101

We are persuaded by the Appellant’s argument that claims 1 and 11, which are “directed to a ‘retail establishment,’” utilize information and location flow among a server, mobile devices, “indoor positioning system,” and advertisers interacting together, and are, thus, not abstract ideas. Appeal Br. 3–5.

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *See Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S.Ct. 2347, 2354 (2014).

In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice* 134 S.Ct. at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S.Ct. 1289, 1296–

97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S.Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S.Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Parker*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 409 U.S. at 69. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69.

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature

of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S.Ct. at 2355. This is a search for an “inventive concept”—an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.*

Claim 1 is directed to a computer server that receives a product selection and shopper location from a shopper’s portable device within a physical establishment, and provides product location information, and directions to the product, to the shopper’s portable device, along with advertising information whose download order is based on the price advertisers are willing to pay for the type, frequency, and timing of advertising placements.

The Examiner finds claims 1 and 11 “are directed to the abstract idea: (i) a fundamental economic practice.” Answer 2.

The Examiner’s rejection is conclusory, because the Examiner has arrived at asserting that the claims are directed to a particular abstract idea, without identifying what the specific claimed invention is directed to, or how that corresponds to the asserted type of abstract idea. More specifically, the Examiner has not established what the claimed invention is directed to in a manner sufficient for us to evaluate whether that represents a practice long prevalent in our system of commerce, such that the assertion of being a fundamental economic practice is sufficiently supported.

Because the Examiner has not sufficiently established that the claimed invention in each of claims 1 and 11 is directed to an abstract idea, we do not sustain the rejection of claims 1 and 11 under 35 U.S.C. § 101.

Rejection under 35 U.S.C. § 112, First Paragraph

The Examiner rejects claims 1 and 11 as failing the written description requirement based on an asserted lack of original support for the claim language “type, frequency and timing.” Answer 3–6. The Examiner cites, from the Appellant’s originally-filed Specification, the sentence “[t]ype, frequency or velocity and timing may be determined based on advertiser payment,” and interprets this to indicate that the Specification only describes “timing” paired with *one of* “type, frequency, or velocity,” but not paired two of the three terms, as claimed. Answer 4 (*citing* Spec. 6, ll. 3–4). The Examiner, thus, is asserting that the meaning of “type, frequency or velocity, and timing” leads to one of only three possible pairs of terms—type/timing, frequency/timing, or velocity/timing—and that the claim does not recite one of those pairs. *See* Answer 27.

We are persuaded by the Appellant’s argument that the Examiner’s reading of the claim language, while perhaps a plausible reading, is not the only plausible reading, and further, that the ordinary artisan would not read the Specification’s language in the narrow manner asserted by the Examiner. Appeal Br. 5–7.

We find that the most reasonably clear interpretation of the aforementioned sentence, in light of the entire Specification, is that it discloses either *type, frequency, and timing* (as claimed) or *type, velocity, and timing*. As we find the most reasonably clear reading of the Specification encompasses the claim language, we do not sustain the rejection of claims 1 and 11 under 35 U.S.C. § 112, first paragraph.

Rejections under 35 U.S.C. § 112, Second Paragraph

We are persuaded by the Appellant’s argument that the claim term “type” would be recognized by the ordinary artisan, from the several examples in the Specification, as encompassing a broad array of categories that need not be more specifically articulated to establish the metes and bounds of admittedly broad, but not indefinite claim language. Appeal Br. 7–9. The Specification, for example, describes “product, price and promotional information” targeted to specific shoppers (Spec. 2, ll. 2–3) and “instant coupons” (*Id.* at, ll. 9–12).

The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether “those skilled in the art would understand what is claimed when the claim is read in light of the [S]pecification.” *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted). The Examiner has, thus, confused claim breadth and definiteness. For this reason we do not sustain the rejection of claims 1 and 11 under 35 U.S.C. § 112, second paragraph.

Rejection of Claim 1 under 35 U.S.C. § 103(a) over Siotia and Grouf

We are not persuaded by the Appellant’s argument that the Examiner has failed to establish a proper rationale to modify Siotia in view of Grouf. Appeal Br. 9–10, 11–12.

The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results. *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 416 (2007). The Court further stated that “if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its

actual application is beyond his or her skill.” *KSR* 550 U.S. 398 at 417. When considering obviousness of a combination of known elements, the operative question is, thus, “whether the improvement is more than the predictable use of prior-art elements according to their established functions.” *KSR* 550 U.S. 398 at 417.

Concerning a proper rationale to modify Siotia in view of Grouf, the Examiner states “the technical ability exists to combine the elements as claimed and the results of the combination are predictable when combined the elements perform the same function as they did separately (i.e. charging advertisers different prices for different types of advertisements to be sent to the user).” Answer 14. We are unpersuaded that the aforementioned rationale is improper.

We also are unpersuaded by the Appellant’s arguments that if Siotia and Grouf were combined, “one would get an odd combination of a media planning and buying planning system (Grouf) and planogram guided shopping system for a shopper in a particular store.” Appeal Br. 10. “[I]t is not necessary that the inventions of the references be physically combinable to render obvious the invention under review.” *In re Sneed*, 710 F.2d 1544, 1550 (Fed. Cir. 1983). The relevant inquiry is whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the *combined teachings* of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). “Combining the *teachings* of references does not involve an ability to combine their specific structures.” *In re Nievelt*, 482 F.2d 965, 968 (CCPA 1973). The Examiner relies on Grouf primarily for its teachings about advertising placement and prices, not for its entire “media planning and buying planning system,” as asserted.

The Appellant argues that Grouf fails to disclose sending advertisement information to a mobile device. Appeal Br. 11. We are unpersuaded by this argument, because the Examiner relies on Siotia for sending information to a mobile device. Answer 10. This argument is attacking one reference individually, when the rejection is instead based on a combination of references.

The Appellant also argues that Siotia fails to disclose manipulating the order of downloading promotional information. Appeal Br. 12. We are unpersuaded by this argument, because the Examiner relies on Grouf for this language. Answer 12.

The Appellant also argues that the cited art does not disclose an “enhanced Indoor Positioning System,” as claimed. Appeal Br. 11. This term is not defined by the Appellant’s Specification, which solely describes one example of an “indoor positioning system,” but does not further define or describe any “enhanced” characteristics. *See, generally*, Spec. 4. Therefore, we construe the term broadly, and are unpersuaded that the following disclosure of Siotia does not correspond properly to the recited “enhanced Indoor Positioning System:” “the user’s location derived in this manner is generally preferable to estimating the user’s position using GPS systems, which are frequently unreliable or non-operational in stores because of metal roofs and structures that attenuate the signals necessary for precise location using GPS systems.” Siotia ¶ 25. In particular, Siotia’s location system addresses problems with using GPS indoors, and, therefore, is interpreted as being an “enhanced Indoor Positioning System.”

Finally, we are not persuaded by the Appellant’s argument that neither Siotia nor Grouf disclose downloading *price* information about a product to

a mobile device. Appeal Br. 12. The ordinary artisan would understand that downloaded product and promotional information would include price as either standard information about a product, or promotional information if the price was a special price, such as associated with a coupon. *See Siotia ¶¶ 27, 48.*

For these reasons, we sustain the rejection of claim 1 under 35 U.S.C. § 103(a).

Rejection of Claim 11 under 35 U.S.C. § 103(a) over Siotia, Grouf, and Thomas

We are not persuaded by the Appellant’s argument that Thomas teaches away from remaining in constant communication with a shopper, because, according to Appellant, Thomas teaches a shopper must “check in” when entering a store. Appeal Br. 14. The Examiner relies on Thomas only to disclose downloading price information (Answer 20), which we pointed out above would be recognized by the ordinary artisan in Siotia and Grouf as standard product information or standard promotional information to provide a shopper.² We are unpersuaded that providing price to a customer (Thomas Fig. 30B) teaches away from a “microprocessor [that] remains in communication with the shopper’s mobile computing device,” as claimed.

We are also not persuaded by the Appellant’s argument that “nowhere in Siotia, Grouf or Thomas is there any hint or suggestion for combining the references.” Appeal Br. 14–15. To the extent the Appellant seeks an explicit suggestion or motivation in the reference itself, this is no longer the law in view of the Supreme Court’s recent holding in *KSR Int’l Co. v.*

² The disclosure of price information in Thomas is therefore cumulative to what the ordinary artisan would infer from Siotia and Grouf about price.

Teleflex Inc., 550 U.S. 398, 419 (2007). Moreover, the Examiner has set forth those rationales on pages 13–14 and 19–20 of the Answer.

The Appellant next argues “Thomas discloses promotional information including prices of products, it does so in an entirely different context” that is “completely different” from the claimed invention. Appeal Br. 16. We are not persuaded by this argument, because Thomas, which is relied upon as disclosing downloading price information to a consumer (Answer 20), does not require the bodily incorporation of all of Thomas’ system into the combination proposed by the Examiner.

We are not persuaded by the Appellant’s argument that, in Grouf, there is “disclosure of charging advertisers more for information displayed higher in the list on a mobile device or for the type, frequency and timing of promotional information.” Appeal Br. 17. Grouf discloses a “rate per ad based on the type of ad (e.g., rich media, banner ad, e-mail, streaming clip on a third party website, pop-up ad, click-through ad).” Grouf ¶ 22. Grouf also discloses ads for print publications sold “based on placement within the magazine or paper.” *Id.* at ¶ 25. The ordinary artisan would recognize that the various types of ads (rich media, banner, streaming clip, pop-up) are placed in different portions of a web page, and are charged different rates, just as with placement within a print publication. This is analogous to placement within a download list for the consumer in the store, as claimed.

We are unpersuaded by the remainder of the Appellant’s arguments for the same reasons we set out above at claim 1. *See* Appeal Br. 13–19.

DECISION

We REVERSE the rejection of claims 1 and 11 under 35 U.S.C. § 101.

We REVERSE the rejection of claims 1 and 11 under 35 U.S.C. § 112, first paragraph.

We REVERSE the rejection of claims 1 and 11 under 35 U.S.C. § 112, second paragraph.

We AFFIRM the rejection of claims 1 and 11 under 35 U.S.C. § 103(a).

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED